

[Camden settlement]

SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT AND RELEASE (the "Agreement") is made and entered into effective as of the ____ day of _____, 2008 (the "Effective Date"), by and between CAMDEN, INC. ("Camden"), LAWRENCE D. ELBERT and VON L. ELBERT (the "Elberts"), collectively identified as "First Parties," and the IOWA LOTTERY AUTHORITY f/k/a THE IOWA LOTTERY ("Lottery") and the STATE OF IOWA ("State"), collectively "Second Parties."

RECITALS:

1. On June 26, 2006, Camden filed a Petition against the State in Linn County District Court, captioned as *Camden, Inc. v. State of Iowa*, Case No. LACV055187 seeking damages arising from Camden's participation in the TouchPlay program and the State's termination of the program.

2. On August 10, 2006, the Lottery filed a Petition against Camden and the Elberts in Polk County District Court, captioned as *Iowa Lottery Authority v. Camden, Inc., Lawrence D. Elbert and Von L. Elbert*, Case No. CL 10291, subsequently dismissed the Petition without Prejudice and refiled in Linn County District Court as Case No. LACV056422, seeking damages against Camden and the Elberts. Camden filed a counterclaim in that action, seeking damages as alleged in Case No. LACV055187. Case No. LACV055187 and Case No. LACV056422, subsequently were consolidated for trial and are hereinafter referred to as the "Lawsuits."

3. First and Second Parties desire to fully settle any and all claims, charges, actions, causes of action or disputed issues of law and/or fact that have been raised or could be raised by any of the parties regarding the subject of the Lawsuits and Camden's participation in the TouchPlay program, and wish to reduce their agreement to writing.

AGREEMENT:

In consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Payment by State to Camden: The parties hereto agree that in consideration of the mutual promises and conditions contained herein, the State shall pay Camden the sum of One Million Fifty Thousand Dollars (\$1,050,000.00). Payment shall be made within fifteen (15) days following the approval of the State Appeal Board of the settlement as set out in this Agreement. The Parties agree that approval by the State Appeal Board is a condition precedent to this Agreement. The Attorney General's Office agrees to recommend approval and payment of this amount to the State Appeal Board. Should the State Appeal Board not approve this settlement as submitted, the parties agree that they will proceed with the Lawsuits rather than undertake any appeals of the Appeal Board's decision or other administrative remedies, and that the failure of the Appeal Board to approve Camden's claim as submitted shall not have preclusive effect on any claims or defenses of the Parties in the Lawsuits.

2. Payment by State and Indemnification For International Gamco/GreaterAmerica Distributing Leases: The State agrees to assume and pay, and indemnify and hold Camden harmless from all liability, obligation, or losses, including attorney fees, arising from leases or purchases, by Camden or any of its affiliates, including but not limited to L&L Leasing, of TouchPlay equipment under lease or purchase agreements with International Gamco and/or Greater America Distributing, Inc., including any such leases or purchase agreements serviced by Greater America, Inc. The State acknowledges that Camden's records reflect total outstanding lease payments of \$522,585.00 on leases, but relies only on its own investigation

and information concerning the amounts owing under these leases. Neither Camden nor the State, by executing this Settlement Agreement and Release, agree or admit that Camden has any liability in any amount under these leases or purchase agreements. The State shall obtain a complete release and satisfaction from International Gamco and Greater America Distributing, Inc., in a form acceptable to First Parties and their attorney, within 30 days of the Effective Date of this Settlement Agreement for all claimed liability of Camden to International Gamco and Greater America Distributing arising from the leases, purchase agreements and any other transactions between First Parties and International Gamco, Inc. and Greater America Distributing, Inc. arising from or related to the TouchPlay program.

3. Dismissal By Lottery of Iowa Lottery Authority v. Camden, Inc., Lawrence D. Elbert and Von L. Elbert: Upon (a) payment by the State of the sums identified in Paragraph 1 of this Agreement; (b) receipt of the fully executed release and satisfaction from Camden and its principals; and (c) receipt of the fully executed release and satisfaction from International Gamco and Greater America Distributing, Inc. as required by Paragraph 2 of this Agreement, the Lottery agrees to promptly dismiss with prejudice Case No. LACV056422.

4. Dismissal By Camden of Camden, Inc. v. State of Iowa: Upon (a) payment by the State of the sums identified in Paragraph 1 of this Agreement; (b) receipt of the fully executed release and satisfaction from the State; and (c) receipt of the fully executed release and satisfaction from International Gamco and Greater America Distributing, Inc. as required by Paragraph 2 of this Agreement, Camden agrees to promptly dismiss with prejudice Case No. LACV055187.

5. Fees and Costs: The parties agree that each of them shall be responsible for their own attorney fees and costs, including court costs, incurred as a result of the Lawsuits.

6. Disposition of and Right to TouchPlay Equipment: Second Parties agree that First Parties and their affiliate, L & L Leasing Company, shall retain any and all right, title and interest in and to any TouchPlay equipment owned, leased or operated by them and the proceeds of any sale or other disposition of such equipment, free and clear of any claims of Second Parties.

7. No Prejudice to First Parties in Future Dealings: Second Parties agree that the conduct of First Parties during their participation in the TouchPlay program, including but not limited to retention of any TouchPlay proceeds as alleged in Case No. LACV056422, shall not prejudice First Parties or be considered by Second Parties or any other officer, employee, department agency or instrumentality of the State of Iowa in any future license applications, discussions, negotiations or proposed business dealings by First Parties with Second Parties or any other department, agency or instrumentality of the State. The obligations created by this Paragraph shall survive the execution of this Settlement Agreement and Release and are unaffected by the Release and Discharge in Paragraph 8 of this Release.

8. Release and Discharge:

- a. All parties agree that, contingent upon satisfaction of their obligations as set out in Paragraphs 1-4 of this Agreement, First Parties and Second Parties hereby mutually and completely release and forever discharge the other, whether in an individual capacity, official capacity, or any other capacity, from any and all existing claims, demands, obligations, causes of action, damages, costs, expenses and compensation of any nature whatsoever, be they direct or indirect, in law or in equity, whether known or unknown, which either Party may have had, presently has, or may have in the future against the other relating to the parties' participation in the TouchPlay program, or any ownership or operation of TouchPlay machines.
- b. Said complete release and discharge shall apply equally to past, present and future

officers, directors, stockholders, members, subsidiaries, parent companies, affiliates (including, in the case of Camden, Inc., L & L Leasing Company and VLE Co.), partners, insurers, predecessors and successors in interest, departments, agencies, officials, and board members of any Party. The foregoing release and discharge shall be fully binding upon all the Parties, their agents, assigns and successors.

- c. The Parties agree that this release and discharge covers all injuries and damages, whether known or not, and which may hereafter appear or develop arising from the matters released through this agreement.
- d. The Parties agree that this Release is executed as a compromise settlement of disputed claims, liability for which is expressly denied, and the performance by the Parties of their obligations under this Release, including payment of the above sum, does not constitute an admission of liability on the part of any person or entity.

9. Taxes. The parties agree that nothing in this Agreement releases or forgives any tax liabilities or obligations which Camden, Larry Elbert, Von Elbert, L&L Leasing, or any other affiliated entity may have now or in the future relating to the purchase, lease, operation, or sale of TouchPlay machines.

10. Integrated Agreement; Severability: This Agreement constitutes the entire understanding between the parties concerning the subject matter hereof. No other prior or contemporaneous representations, inducements, promises, or agreements, oral or otherwise, between the parties relating to the subject matter hereof and not embodied in this Agreement shall be of any force or effect. This Agreement shall not be modified except in a writing signed by all parties hereto. If any provision of this Agreement shall for any reason be held to be invalid, unenforceable, or contrary to public policy, whether in whole or in part, the remaining provisions shall not be affected by such holding.

11. Binding Effect: This Agreement is binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, representatives, successors and assigns.

12. Authority to Execute: Each party affirms that any person executing this Agreement on their behalf has full authority to do so.

13. Construction Against Party Drafting: The parties acknowledge that all parties, through their legal counsel, played an equal role in drafting and/or had an equal opportunity to review and/or modify the provisions set forth in this Agreement. Thus, in the event of any misunderstanding, ambiguity, or dispute concerning this Agreement's provisions, or interpretations, no rule of construction shall be applied that would result in having this Agreement interpreted against any party.

14. Review by Parties and Counsel: All parties acknowledge that they have carefully read this Agreement, and fully understand its meaning and intent. The parties also acknowledge that they have had the Agreement explained to them by their counsel, and they understand its legal consequences. The parties agree to all the terms of the Agreement, and are voluntarily signing below. The only consideration for the parties signing the Agreement are the terms stated herein, and no other promises or representations of any kind have been made by any person or entity whatsoever to cause them to sign this Agreement.

15. Applicable Law: This Agreement shall be governed by the laws of the State of Iowa. The parties, by their execution of this Agreement, submit to the jurisdiction of the courts of the State of Iowa and agree that venue shall be exclusively in Linn County, Iowa.

16. Captions: The section captions herein are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections nor in any way affect this Agreement.


17. Counterparts: This Agreement may be executed in one or more counterparts, all of which shall together constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each and every party hereto and delivered to each and every other party hereto.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the parties hereto have duly executed this SETTLEMENT AGREEMENT effective as of the date first above written.

FIRST PARTIES:

CAMDEN, INC.

By 


LAWRENCE D. ELBERT



VON L. ELBERT

SECOND PARTIES:

IOWA LOTTERY AUTHORITY

By 

STATE OF IOWA

By 

[Greater America]

LIMITED RELEASE

WHEREAS Camden, Inc., is a Plaintiff in a lawsuit pending in the Iowa District Court for Linn County captioned Camden, Inc. v. State of Iowa, Linn County case number LACV056422 (Linn County Lawsuit), and Greater America Distributing, Inc., is a Plaintiff in a lawsuit pending in the Iowa District Court for Polk County captioned as Jeffrey A. Siggins, et al. v. Thomas J. Vilsack, et al., Polk County case number EQCL53324 (Polk County lawsuit); and

WHEREAS Camden, Inc., has resolved any claims Camden, Inc., L & L Leasing, Larry Elbert, Von Elbert, or their affiliates (hereinafter the "Camden releasing parties") may have with the defendants in the Linn County lawsuit; and

WHEREAS Greater America Distributing, Inc. (GAD) is alleging claims in the Polk County lawsuit which may be related to claims made by the Camden releasing parties in that the Camden releasing parties alleged damages in part for sums that GAD claims are due from the Camden releasing parties for the sale or lease of equipment used in the TouchPlay program; and

WHEREAS the Defendants in the Polk County case have resolved, with GAD, any and all claims GAD may have arising from any sale or lease of any TouchPlay equipment to the Camden releasing parties;

NOW, THEREFORE, the Parties agree as follows:

1. In consideration of the mutual promises and conditions contained herein, the State shall pay GAD the sum of Two Hundred Ninety Thousand Dollars (\$290,000.00). Payment shall be made upon approval of the payment by the State Appeal Board. Payment shall be made within ten (10) days following: (a) the approval of this payment by the State Appeal Board, (b) delivery of a fully executed copy of both this Limited Release by GAD; and (c) delivery of a fully executed copy of the release between GAD and the Camden released parties described in Paragraph 4 below. The Parties agree that approval and payment by the State Appeal Board is a condition precedent for this Agreement. The Attorney General's Office agrees to recommend approval and payment of this amount to the State Appeal Board. Should the State Appeal Board not approve GAD's claim as submitted, the Parties agree that they will proceed with the lawsuit rather than undertake any appeals of the Appeal Board's decision or other administrative remedies, and that the failure of the Appeal Board to approve GAD's claim as submitted shall not have preclusive effect on any claims or defenses of the Parties in this lawsuit.

2. In consideration of the payment noted GAD will execute and give this limited release to the Defendants in the Polk County lawsuit as to any such damages that are or may be claimed by them as a result of any TouchPlay machines sold or leased to the Camden released parties by GAD, but not as to any other damages, claims, or causes of action of any kind whatsoever GAD may have against the Defendants in the Polk County lawsuit.

3. The above recitals are deemed contractual and shall be considered fully in any interpretation or construction of this Agreement.

WJH

4. GAD hereby releases and discharges Thomas J. Vilsack, Thomas J. Miller, Mark R. Schuling, Kevin W. Techau, Dr. Edward Stanek, the Iowa Lottery Authority and its employees, the Iowa Lottery Board and its members, the State of Iowa, and any other State employee, official, or entity (hereinafter the "Released Parties") who GAD may claim to be liable to them for any claims, injuries or damages, whether known or not, and which may hereafter appear or develop strictly as a result of the lease or purchase of TouchPlay equipment from GAD by the Camden released parties. GAD further agrees to enter into a release of the Camden released parties' obligations to GAD relating to the TouchPlay program to be negotiated directly with the Camden released parties.

5. This limited release covers only the following:

A. Only those claims GAD may have or claim to have solely as a result of the purchase, lease, or operation of TouchPlay equipment by the Camden released parties., whether brought pursuant to a tort, contract, subrogation, or any other legal theory.

B. Any damages which are claimed to be derivative of any claim the Camden released parties have made or may have made against any of the named defendants in the above-stated lawsuit arising out of the lease or purchase of TouchPlay equipment from GAD by the Camden released parties.

6. The Parties acknowledge that all Parties, through their legal counsel, played an equal role in drafting or had an equal opportunity to review or modify the provisions set forth in this Agreement. In the event of any misunderstanding, ambiguity, or dispute concerning this Agreement's provisions, or interpretations, no rule of construction shall be applied that would result in having this Agreement interpreted against any Party merely because that party may have drafted the disputed language.

7. This Agreement shall be governed by the laws of the State of Iowa. The Parties, by their execution of this Agreement, submit to the jurisdiction of the courts of the State of Iowa and agree that venue shall be exclusively in Polk County, Iowa.

8. This Agreement may be executed in one or more counterparts, all of which shall together constitute one and the same instrument and shall become effective when one or more counterparts have been signed by each and every party hereto and delivered to each and every other party hereto.

PLEASE READ CAREFULLY. THIS AGREEMENT INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

IN WITNESS WHEREOF, the parties hereto have duly executed this SETTLEMENT AGREEMENT effective as of the date first above written.

WMS

GREATER AMERICA
DISTRIBUTING, INC.

By Michael T. Doherty
President

IOWA LOTTERY AUTHORITY

By _____

STATE OF IOWA

By J. J. Miller